



SOUTH DELHI MUNICIPAL CORPORATION
ASSESSMENT & COLLECTION DEPARTMENT
Dr. Shyama Prasad Mukherjee Civic Centre (20th Floor),
Jawaharlal Nehru Marg, New Delhi-110002

No. Tax/HQ/SDMC/2020-2021/D- 1060

Dated: 31.08.2020

DEPARTMENTAL INSTRUCTIONS

1. The Corporation in Resolution Number 282 dated 26 February 2019 had approved partial implementation of the recommendations of the 3rd MVC from 1st April 2019 and departmental instructions were issued on 02.05.2019 for the implementation of 3rd MVC report to the extent approved by Corporation.
2. Now the Corporation in Resolution Number 19 dated 27 July 2020 has approved the said Recommendation for the years 2020-21 onwards with certain amendments.
3. This is to issue fresh departmental instructions after taking into consideration the said amendments.
4. The recommendations, as approved by SDMC, are as under:-

(i) Business/Commercial/Industrial Vacant

The use factor shall be '3' instead of '2'.

Remarks: Application of use factor of '2' was authorised under the Departmental Instructions No. 5, dated 28.12.2004, on the recommendation of Hardship and Anomaly Committee. These instructions form part of Property Tax Guide at clause 8(d), which reads as under:-

"8 (d). Rebate for vacant non-residential use properties:


Where industrial/commercial properties are lying vacant unoccupied/not in use, a factor of 2 would be applied. This would be applicable to all industrial and commercial properties on the basis of sworn affidavit to be given by the property owner duly stamped and notarized. In cases, where false affidavits are given and the property is found being put to use and lower factor is being applied on the basis of false certificate, action can be taken by the MCD as per the penal provisions prescribed in the Act. The tax payer would also be required to make intimation of vacation/non-occupation/property not in use within 30 days and subsequently once every three months."

Remarks : Lower use factor to be allowed, only if the conditions specified by clause 8(d) are strictly followed by the tax-payer, if the same are not followed, no rebate.

(ii) Category of Industrial area

The category of industrial units will be the original category i.e. 'G' instead of 'D'.

Remarks : So no change in use factor of industrial units.


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(iii) Occupancy factor

Occupancy factor should be '2' of rented property, whether residential or non-residential. No change in self-occupied property and occupancy factor should be '1'.

Remarks: This would mean increase in occupancy factor of non-residential rented property from 1 to 2. This would need revision, if PTR for 2020-21 filed with the occupancy factor '1'. This will require scrutiny of PTRs of units in Nehru Place, Bhikaji Cama Place and all such units. This may also need scrutiny of Industrial units on rent and commercial portions in star hotels, malls, cinema halls on rent to revise annual value at occupancy factor 2. Where there return not filed, there should be a occupancy factor "2" not "1".

(iv) Vacant land

The multiplication factor for vacant land should be 0.5 instead of 0.3.

Remarks : This will need revision in the annual value of all farm houses, motel, farm houses in commercial use, schools and colleges with vacant land, institutional buildings, government buildings, petrol pumps, oil depots, DTC, DMRC, DIAL, stadiums, DDA Vacant lands, CPWD Colonies etc.

(v) Telecom Towers

Keeping in view higher rental values and handsome rent, the use factor should be '4' to bring them at par with commercial properties. The floor on which such tower erected will also attract use factor '4'.

Remarks : This would mean increase AV of towers & building on which towers are erected.

(vi) Entertainment and recreation and clubs

The use factor should be '4' to bring them at par with general commercial properties.

Remarks: Entertainment, recreation & clubs are covered by Bye-Law 9(d) which reads as under:-

9(d) "building for recreation and sports purposes" shall mean any building or part thereof where groups of people congregate or gather for amusement or recreation or for sports, or similar other purposes, and such buildings shall include theatres, motion picture houses, drive-in-theatres, assembly halls, city halls, town halls, auditoria, exhibition halls, museums, baratghars, skating rings, gymnasia, dance halls, club rooms, gymkhanas, health and sports clubs, bowling alleys, stadia, and recreation piers"

The increase in use factor would be applicable to all buildings covered by Bye-Law 9(d). It is, however, clarified that Bye-Law 9(d) includes Barat Ghar, but Committee has separately recommended use factor '5' for the Barat Ghar.

(vii) Educational Institutions

Schools run by Govt. (Central / State)/ local bodies / aided schools / Govt. Colleges / Universities & deemed Universities including professional Colleges – such as Medical Colleges / Engg. Colleges run by Govt. – use factor '1'.

Use Factor of unaided private educational institution shall be 3 except institutions falling in category 'G' & 'H' where the use factor of educational institutions shall remain "1".

Remarks: This would mean increase in AV of all unaided private educational institutions falling in category A to F where tax is being paid at use factor "1".

(viii) Guest Houses and Lodges

Premises being used by Companies / Corporations as transit residence, totally for its employees, only and nothing is charged – use factor shall be '2' treating it as residential tenancy.

Other than above, licensed guest house/ lodges will have use factor '3'.

Remarks: If in company transit accommodation outsiders are also allowed or charges are collected, the use factor shall not be '2', but '3' as any other guest house.

(ix) Banquet Hall / Barat Ghars

The use factor should be '5' instead of '4' at present.

Remarks : Annual Value of all Banquet Hall / Baratghar / farm houses & industrial units converted into banquet halls, it would mean an increase from "4" to "5" use factor.

5. The acceptance of above recommendation are brought to notice of the officers and staff working in Assessment & Collection Department of South Delhi Municipal Corporation for Annual Valuation of vacant land and building in SDMC area from the year 2020-21, till further orders. Where PTRs filed for 2020-21 onwards and tax has been paid, assesses may be requested to pay the difference and on failure take action under the provisions of the Act. **If tax paid by 30.09.2020, 15% rebate shall be allowed on increase due to 3rd MVC.**
6. There has been no other change in category of colonies or group of building, unit rate and multiplication factors, except the above and shall continue as per MVC-I recommendations, as amended by recommendation of Hardship and Anomaly Committee.

All Jt.A&Cs/Dy.A&Cs/AA&Cs of the department.

Copy for information to :

1. Commissioner (SDMC)
2. Addl.Commr./CA-cum-FA

(Amit Kumar Sharma)
Assessor & Collector, IRS
Amit Kumar Sharma, IRS
Assessor & Collector

Assessor & Collector